GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2141
ANSWERED ON:11.08.2006
SEVEN POINT MISSION
Chowdhury Shri Adhir Ranjan;Nayak Shri Ananta;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has proposed a seven point mission for baaks including doubling of farm- credit from 10 per cent to 20 per cent ;

(b) if so, the details thereof and the guidelines issued to banks in this regard ;

(c) whether the banks have implemented this mission; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR. BANSAL)

(a) to (d) : No, Sir. However, vrith a view to increase the credit flow to agriculture, Government of India had announced on IS June, 2004, a comprehensive Farm Credit Package, to double the credit flow to agriculture in three years, from 2004-05 to 2006-07, with an annual growth rate of 30%. The flow of credit to agriculture and allied sectors has grown from Rs.86,981 crore in 2003-04 to Rs. 1,67,775 crore in 2005-06.

Further, guidelines have been issued to banks to provide Short Term Production Credit @ 7% per annum upto a principal of Rs. 3 lakhs during 2006-07. It has been decided to provided interest subvention of 2% to public sector banksi and regional rural banks and concessional refinance by NABARD to RRBs and Cooperative Banks for this purpose.